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JOHN F. D

IN THE

Supreme Court of the United States

October Term, 1969

No. 1412

INDIANA GENERAL CORPORATION,
Petitioner,

v.

KRYSTINEL CORPORATION,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

BRIEF FOR RESPONDENT IN OPPOSITION

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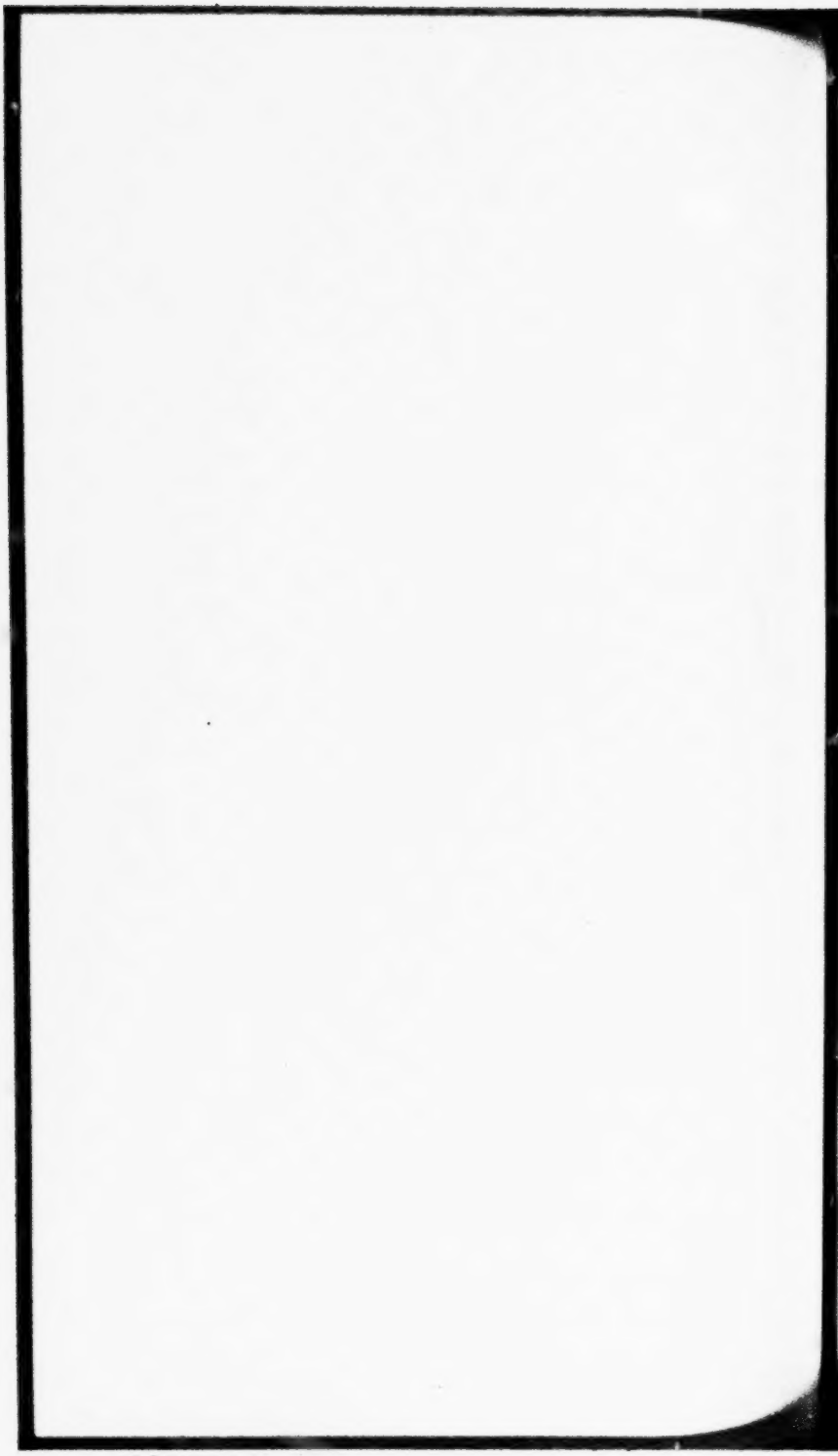
May 8, 1970



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Opinions Below

The opinion of the Court of Appeals is reported at —— F.2d ——, 164 U.S.P.Q. 321 (2nd Cir., 1970), and is reprinted as Appendix A of the Petition. The opinions of the United States District Court for the Southern District of New York are reported at 297 F. Supp. 427, 161 U.S.P.Q. 82 (1969), and are reprinted as Appendix C of the Petition.

Jurisdiction

The jurisdictional requisites are adequately set forth in the Petition.

Questions Presented

1. Where the District Court, after trial of all the issues, has found the subject matter as a whole of the patent in suit obvious, hence lacking in invention over the prior art, and the Court of Appeals has reviewed the relevant facts in detail has and affirmed this determination of the District Court, should this Court review the facts for a third time simply to see whether the courts below have correctly applied the well settled standards of this Court's *Graham* and *Adams* decisions to the narrow facts peculiar to this case?

2. Should this Court review the facts underlying the decisions of two Courts of Appeals, each affirming the factual determinations and legal conclusions of their respective District Courts, simply to see whether the facts peculiar to the respective decisions justify different results as to obviousness under the same well established law?

3. In view of the conclusions of the District Court affirmed by the Court of Appeals that the patent in suit is invalid:

(1) under 35 U.S.C. § 112 for failure to disclose the best mode contemplated by the inventor of carrying out his invention,

(2) under 35 U.S.C. §112 for failure of the specification to support the utility limitation in the claim,

(3) under 35 U.S.C. §112 for overclaiming the advance actually made, and

(4) under 35 U.S.C. §102(b) by reason of the patentee's public use and sale of a species of the claimed invention more than one year before the filing date to which the patent is entitled,

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in addition to its being adjudicated invalid by both courts below for obviousness under 35 U.S.C. §103, is it likely that this Court will ever reach the obviousness issue raised by Indiana General's Petition herein?

Statutes Involved

The pertinent provisions of the Patent Laws are 35 U.S.C. §§101, 103, set forth at pages 3-4 of the Petition, and 35 U.S.C. §§102, 112, set forth in Appendix A to this Brief.

Statement of the Case

The action with respect to which this petition is made is a suit by the petitioner, Indiana General Corporation ("Indiana General" hereinafter), originally brought against the respondent, Krystinel Corporation ("Krystinel" hereinafter), in the United States District Court for the Southern District of New York charging infringement of United States Letters Patent No. 3,036,009. The jurisdiction of the District Court was invoked because the action arose under the Patent Laws of the United States. In its answer and amended answer, Krystinel denied the charge of infringement and asserted invalidity and unenforceability of the patent in suit on various grounds.

After trial of the issues presented by the pleadings, the District Court (Judge Tenney presiding), in its opinion and supplementary memorandum opinion (Appendix C of the Petition), made extensive and detailed factual determinations as to the underlying technology and historical development of the patent in suit. Briefly, the patent is concerned with ferrites, which are solid sintered crystaline products formed from various proportions of finely powdered and intermixed oxides of iron and various bivalent metals and which find widespread applications as magnetic

cores in various electronic devices. For many applications, it is desirable that the ferrite employed possess a high "Q-factor" or "Q-value" in the frequency range in which it is to be used.

Indiana General, the patent owner at time of trial, had several predecessors in title to the patent in suit including General Ceramics Corporation ("General"), a corporate predecessor, and Steatit-Magnesia Aktiengesellschaft ("Stemag"), a former coplaintiff in this case. Where not inappropriate hereinafter, Indiana General, General, Stemag and Zerbes (the named inventor and an employee of Stemag) will be referred to generally as the "patentee".

During the latter part of 1952 and all of 1953, General was making and actively selling in the United States an antenna rod ferrite known as "Ferramic N" or "874-body" (Appendix to Petition, p. A29). While "Ferramic N" exhibited certain shortcomings (including a relatively low Q-factor) as an antenna rod ferrite, it was widely sold commercially for this purpose. In August 1953, General received a written report that Stemag had developed a new ferrite which was recognized to be "almost 874-body" with a very small addition of cobalt oxide (Appendix to Petition, pp. A30, A55, A74). With only very slight modification of the reported formula, this new ferrite was placed on sale in the United States on November 18, 1953, under the tradestyle, "Ferramic Q" or "Q-body" (Appendix to Petition A30-A31).

By the first half of 1954, General had discovered and reported to the Signal Corps that "although Ferramic Q yielded a Q-value of 400 at approximately 1mc[s].,* at 10 mcs. the Q-value dropped off to approximately 55 and was unmeasurable at frequencies above 20 mcs." (Appendix to Petition, pp. A48-A49).

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* 1 mcs. is a measure of frequency meaning one megacycle per second.

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Meanwhile, seeking patent protection for its new ferrite, the patentee had filed a German patent application on November 27, 1953. The German application was followed by a counterpart United States patent application filed in November, 1954, which was ultimately succeeded by a continuation-in-part application filed in August, 1958. The patent in suit issued in May, 1962, on this latter application (Appendix to Petition, pp. A31-A39).

Distaining the mandate of 35 U.S.C. §112 that a patentee must fully, clearly, concisely and exactly describe the development for which patent protection is sought and particularly point out and distinctly claim the reasonable limits of the asserted monolopy, the patentee sought, instead, a broad monopoly over thousands of functionally distinct ferrites formed from the five constituent oxides mentioned in the single claim of the patent in suit. (A copy of the patent in suit is annexed hereto as Exhibit B.) All mention of the actual development, "Ferramic Q", is omitted from the patent in suit and its antecedent applications in favor of the three irrelevant examples of Table 1 (compare these examples, points I-1, I-2 and I-3, with "Ferramic Q", point Q, and "Ferramic N", point N on the triaxial diagram, Appendix to Petition, p. A18). This "smokescreen", the concealment of the ferrite actually developed by Stemag within the broad irrelevant range of the claim and the specification of the patent in suit, has added immeasurably to the burden of the courts below and has been sustained to the very threshold of this Court. Compare, for example, the references in the "STATEMENT OF THE CASE" in the Petition to "a composition of matter" p.6, l. 2), "the particular ferrite here involved" (p.6, l.7), "This ferrite" (p.6, l. 23), "the new patented ferrite" (p.7, l. 3), and "The new ferrite material" (p.7, l. 12), all of which characterizations are obviously referenced to petitioner's "Ferramic Q" material, with the veiled admission that the single claim of the patent in suit greedily

encompasses an excessively broad range of distinct ferrite compositions made in such references as "one composition within the patent coverage" (p.6, ll. 24-25) and "Zerbes' compositions" (p.7, l. 20). Indeed, the courts below have had difficulty in deciding whether the prior art must compositionally anticipate merely the broadly claimed irrelevant range of ferrites of the patent in suit or, specifically, the preferred species of the claimed development, "Ferramic Q".

Compounding its failure to disclose and reasonably delimit the composition of the ferrite actually developed, the patentee further confused and misled the Patent Office and the public by asserting, contrary to the patentee's report of its own experience to the Signal Corps in early 1954 (p. 4, *supra*), that the ferrites of the claimed invention exhibited high Q-factors at frequencies approaching 300 mcs. In reality, there is not and never has been a nickel-zinc ferrite containing manganese in the amounts specified by the claim of the patent in suit which could exhibit a high, let alone measurable Q-factor at frequencies in excess of 80 mcs. The commercial ferrites presently sold by both parties to this suit for high frequency applications where a significant Q-factor is desired contain no manganese whatsoever.

In view of the foregoing briefly summarized facts, the District Court, before even reaching the question of obviousness under 35 U.S.C. § 103, found the patent in suit invalid on four other distinct grounds, to wit:

> "2. The patent in suit, United States Letters Patent No. 3,036,009, in invalid pursuant to 35 U.S.C. §§ 112, 282(3) in that the specification fails to contain language which adequately describes the best mode contemplated by the inventor of carrying out his invention so as to enable any person skilled in the relevant art to make and use the same.
>
> 3. The patent in suit is similarly invalid pursuant to 35 U.S.C. §§ 112, 282(3) in that the specifica-

tion and related table do not support the claim of utility, *i.e.*, 'up to 300 mcs.'

4. The patent in suit is invalid pursuant to 35 U.S.C. §§ 112, 282(3) for overclaiming in that the claimed compositional range is not delimited by limitations corresponding to marked changes in Q-values at specific frequencies.

5. Assuming the single claim of the patent in suit were valid on its face, it would be entitled to no effective filing date earlier than August 11, 1958, in that certain of its limitations were in no way supported by the 1954 parent application, to wit:

a. 'having a high Q-factor in the high frequency range of up to 300 mcs.'

b. 'the proportion of the iron oxide in said batch being at least 50 mol percent of the entire composition.'

and, consequently, invalid pursuant to 35 U.S.C. § 102(b). [by reason of the patentee's prior public use and sale, since 1954, of "Ferramic Q"]" (Appendix to Petition, pp. A58-A60).

While not reviewing the above quoted conclusions of the District Court in detail, the Court of Appeals expressly affirmed them (Appendix to Petition, p. A3).

Turning to the obviousness question, the District Court held and the Court of Appeals affirmed that the patent in suit is invalid under 35 U.S.C. § 103 for obviousness even if accorded the benefit of the 1953 filing date of the German grandparent patent application. The art expressly relied upon by both courts below to invalidate the patent was the patentee's own prior commercial ferrite, "Ferramic N", and United States Patent No. 2,736,708 to Crowley (Appendix to Petition, pp. A79-A84). A comparison of the compositions of "Ferramic N" and "Ferramic Q" with the compositional ranges claimed by the patent in suit and taught by a prior art patent, No. 2,640,813 to Berge (re-

produced as Appendix C herein), expressed in weight percents, appears in the table below:

Component Oxide	*"Ferramic N"*	*"Ferramic Q"*	*Patent In Suit*	*Berge*
Fe_2O_3	75.5	75.1	66.5-80	60-75
NiO	9.2	9.1	2-29.5	0-25
ZnO	13.5	14.0	2-31.5	10-25
MnO	1.8	1.4	1-5	0-25
CoO	—	.9	.1-3	0-25
MgO	—	—	—	0-25

Noting, as did the patentee in the summer of 1953, that compositionally "Ferramic Q" is virtually identical to "Ferramic N" except that approximately one percent of cobalt oxide (CoO) has been added, the courts below found not only the broadly claimed ranges of the patent in suit, but even its preferred embodiment, "Ferramic Q", obvious when viewed in the light of the teachings of Crowley (e.g. Table I, Col. 6, p. A81, Appendix to Petition) that a small amount of cobalt oxide may be added to any nickel-zinc ferrite to increase its Q-factor. In fact, Table I of Crowley shows that an optimum Q-factor improvement at 1 mcs. is to be obtained by adding about one percent cobalt oxide. Crowley, therefore, teaches the functional purpose of the cobalt addition, to wit: Q-factor improvement. As noted by the Court of Appeals (Appendix to Petition, pp. A12, A20), but for the failure of the patentee to disclose the existence of its prior art "Ferramic N" product to the Patent Office, the patent in suit might never have issued.

Actually (although not so held by the courts below) the broadly claimed compositional ranges of the patent in suit may well be additionally obvious in view of the Berge patent No. 2,640,813 (Appendix C herein) alone. Berge teaches, at column 3, ll. 38-45 (Appendix, p. 7a) that:

> "In the original mixture, the materials may be present in the ratio of 60 to 75 parts of iron oxide (calculated as Fe_2O_3), 10 to 25 parts by weight of zinc oxide (calculated as ZnO), and 10 to 25 parts of one or combinations of the other oxides which may be either nickel oxide (Ni_2O_3), cobalt oxide (Co_2O_3), manganese oxide (MnO_2), or magnesium oxide (MgO)."

This teaching of Berge, it is submitted, although quite general and broad when referenced to "Ferramic Q", is sufficient to anticipate the broadly claimed ranges of the patent in suit. It also belies the statement at page 6 of Indiana General's Petition that no prior patent "described a ferrite of these particular five constituents".

ARGUMENT

This Court Need Not Review For a Third Time the Narrow Facts Peculiar to this Case with Reference to the Established Standard of Invention

The District Court, after trial of all the issues, has found the subject matter as a whole of the patent in suit obvious, hence lacking in invention over the prior art as exemplified particularly by Indiana General's own prior commercial antenna core ferrite, "Ferramic N", and Crowley patent, No. 2,736,708, considered together (Appendix to Petition, p. A60, conclusion 6). The Court of Appeals has reviewed the facts relevant to this conclusion of the District Court in detail and has affirmed it. Indiana General asserts in its Petition that, in holding the patent in suit invalid for obviousness under 35 U.S.C. § 103, the courts below have incorrectly applied the standards of invention well established by this Court in *United States* v. *Adams*, 383 U.S. 39, and *Graham* v. *Deere*, 383 U.S. 1, and urges this Court to review for a third time the narrow facts peculiar to this case alone.

It is respectfully submitted that such a review would be a waste of this Court's precious calendar time both because the narrowness of the question does not merit review and because the obviousness determinations of the courts below are correct.

Close scrutiny of Indiana General's argument at pages 8-14 of the Petition reveals its basic charge to be that the courts below ignored the statutory requirement that "the subject matter as a whole" sought to be patented be tested against the prior art in the application of 35 U.S.C. § 103. Instead, it is asserted, the courts below tested against the prior art only the chemical components of the patented subject matter and ignored the properties and operational characteristics thereof. This contention is absurd.

If, in the manner suggested by *Application of Wiggins*, 397 F. 2d 356 (C.C.P.A., 1968), one examines the patented subject matter of the patent in suit (Appendix B), one finds that the single claim is directed to several compositional limitations defining a broad range of ferrite compositions all fired within a specified temperature range and professed to have the property or operational characteristic of "a high Q-factor in the high frequency range of up to 300 mcs." Ignoring, arguendo, the impossibility of producing a ferrite within the claimed compositional ranges (containing from 1% to 5% manganese oxide) having even a measurable Q-factor at frequencies approaching 300 mcs., we may charitably assume that a frequency of 1 mcs. is a "high" frequency. Turning, then, to the examples of Table 1, we note that such Q-factors as 153, 124 and 63 are apparently considered "high" at 1 mcs. The patented subject matter as a whole makes no other reference to properties or operational characteristics. While permeability is referred to in the specification, the entire patent makes no reference to either time, temperature or shock stability.

The Court of Appeals disposed of the compositional and functional aspects of the patented subject matter by

noting (Appendix to Petition, p. A12) that "Ferramic Q", a species of the claimed invention, "represented no more than the addition of the small amount of cobalt oxide [to "Ferramic N"]" and that Crowley and Harvey each "taught that the Q factor was considerably increased by the addition of the cobalt oxide." The Court of Appeals (*id.*, at A13) thereupon affirmed the District Court's conclusion that "to add the small amount of cobalt oxide required to increase the Q-factor" of "Ferramic N" was within the level of ordinary skill in the art.

The District Court (Appendix to Petition, pp. A46-A47) went even further, finding that the examples of Table 1 of the patent in suit "evidence no significant technological advance over the prior art" when the Q-factors of these examples are compared to those of examples in the Crowley and Harvey patents. Clearly, both courts below considered the properties and operational characteristics of the patented subject matter as well as the compositional limitations thereof.

It should be noted that in both the *Adams* and *Wiggins* cases, the express teachings of the prior art were such as to deter further experimentation in the direction of the ultimately achieved invention. In the case at bar, on the contrary, the prior art, Crowley, and Harvey as well, expressly taught that the addition of a small amount of cobalt oxide would improve the Q-factor of any ferrite in the nickel-zinc system. Why then, shouldn't it improve the Q-factor of "Ferramic N"?

There is no Conflict Between the Courts of Appeals for the District of Columbia and the Second Circuit

Analysis of the argument advanced by Indiana General on pages 14-18 of its Petition reveals that it is merely the same argument made with respect to the *Adams, Graham*

and *Wiggins* cases warmed over in a different jargon. In attempting to establish a conflict (if only "in principle") between the Second and District of Columbia Circuits, Indiana General relies heavily on the decision of the latter circuit in *Commissioner of Patents* v. *Deutsche Gold-Und-Silber-Scheideanstalt Vormals Roessler*, 397 F. 2d 656 (1968) in juxtaposition to Court of Appeals decision in the case at bar. The decision in the *Deutsche* case makes liberal use of the expression, "structural obviousness", an expression never before employed in the case at bar until first introduced by this argument in Indiana General's Petition. Small wonder. "Structural obviousness" is an expression peculiarly related to organic chemistry and to the "homologs", "analogs" and "isomers" peculiar to that alien art which is non-analogous to such arts as ferrites, metallurgy and crystalography. The *Deutsche* case, itself involved "position isomerism". In the organic chemistry arts, structural obviousness is derived from the close similarity of the molecular structure of one organic compound to that of another and, as held in the *Deutsche* case, is one factor to be taken into consideration with all other relevant facts (such as properties) in measuring obviousness under 35 U.S.C. § 103.

In this argument of its Petition, Indiana General has simply equated the "structural obviousness" of the position isomer of the *Deutsche* case with the compositional obviousness of the claimed ferrites of the case at bar and has urged that a complete review of obviousness under 35 U.S.C. § 103 must consider also the properties and functional characteristics exhibited by such obvious structures or compositions. As pointed out in the preceding section of Argument herein, the courts below have done this; so no conflict of law between the Second and District of Columbia Circuits exists in principle or otherwise. The courts in the respective circuits have simply applied the standard of *Graham* and *Adams* to different facts and have, consequently, come up with different results.

If Certiorari Be Granted to Indiana General, this Court Will Never Reach the Questions Presented in Indiana General's Petition

Perhaps the most important reason why this Court should not grant certiorari on the two questions raised by Indiana General's Petition is that the patent in suit has been held invalid on four distinct grounds in addition to obviousness. In order, therefore, that a determination by this Court that the patented subject matter of the patent in suit is non-obvious could be other than the determination of a moot question, this Court will have to review the entire facts of the case relative to 35 U.S.C. §§ 102, 112, 119 and 120, as well as 35 U.S.C. §§ 101, 103 in order to determine whether *all* of the conclusions of the courts below as to invalidity are erroneous. While this exercise might prove instructive to patent attorneys and judges throughout the land, it is submitted that it is hardly likely to be productive of a reversal. For this reason, the Court is unlikely to even reach the questions presented by Indiana General's Petition.

In a sense, Indiana General's Petition cheats this Court of plenary consideration of the problems involved in the granting of the Petition. A vague offer of proof is made by way of statement in lieu of the third of the "QUESTIONS PRESENTED FOR REVIEW" (Petition, pg. 3), but neither a statement of facts nor an argument is presented in support thereof. Lacking a legal argument on these other grounds of invalidity, Krystinel cannot meet it. However, a few of the key relevant facts have been illuminated in the "Statement of the Case", *supra*.

CONCLUSION

For the foregoing reasons, Indiana General's Petition for Certiorari should be in all respects denied.

Respectfully submitted,

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May 8, 1970

APPENDIX A

(United States Code Title 35—Patents)

SECTION 102. Conditions for patentability; novelty and loss of right to patent.

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was

first to conceive and last to reduce to practice, from a time prior to conception by the other.

SECTION 112. Specification.

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

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APPENDIX B

Zerbes Patent No. 3,036,009 (The Patent in Suit)

(PHOTOSTATS)

(See opposite ☛)

AFPE

May 22, 1962

G. Z
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QUALITY AT
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